## **BAHRAIN-CHINA: Establishing Relations**

The establishment of formal relations between Bahrain and China yesterday will facilitate military and economic cooperation, but Manama is in no hurry to develop close ties to Beijing.

During the past year, several Chinese political and economic delegations visited Bahrain, the final Arabian Peninsula state other than Saudi Arabia to establish diplomatic ties to China.

Relations between Manama and Beijing will probably remain limited, since their mutual interests are few. Bahrain probably believes it will gain the appearance of a more balanced foreign policy as well as access to an alternative arms and trade market. China may believe it can draw Bahrain into a larger relationship, particularly by offering relatively inexpensive military equipment. But Bahrain's suspicion of Chinese political motives, determination to preserve US-Bahraini security cooperation, and lucrative trade relations with Taiwan will hamper the Chinese effort.

Top Secret

37 7

1.